



Congressional Budget Office

June 6, 2014

The Status of the Highway Trust Fund, June 2014

Presentation to Americans for Transportation Mobility

Sarah Puro

Principal Analyst, Budget Analysis Division

Spending From the Highway Trust Fund Exceeds Its Revenues

Highway Account: May have difficulty meeting all obligations during the summer of fiscal year 2014

Transit Account: Will likely be able to meet all obligations through fiscal year 2014

With no increase in receipts, **in 2015, all of the receipts credited to the fund would be needed to meet obligations made before that year.**

Highway Trust Fund Basics

Highway Account

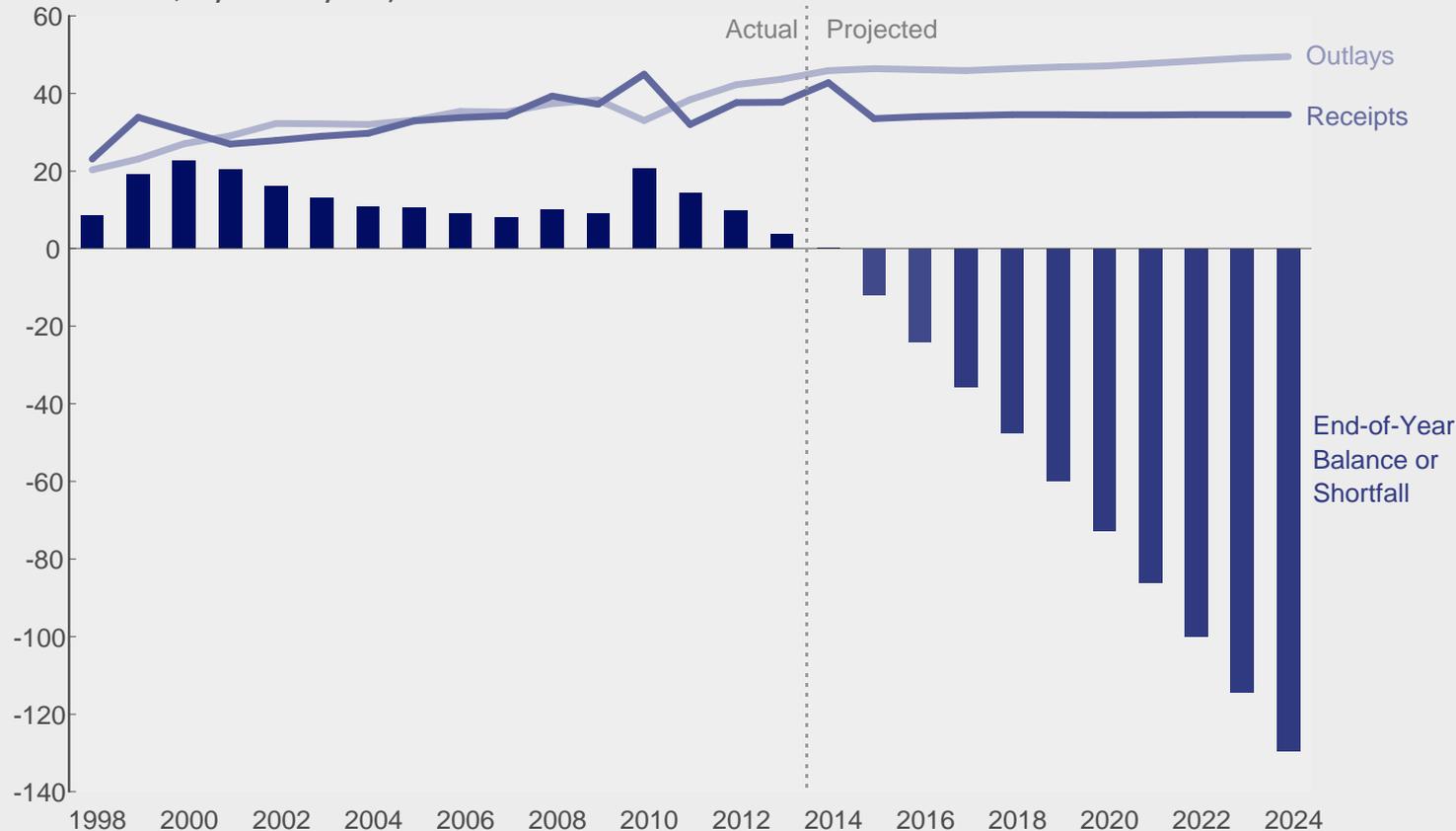
- Highways, highway safety (NHTSA), and regulation of motor carriers (FMCSA)
- Funded by gas tax (18.4 cents/gallon), diesel tax (24.4 cents per gallon), and taxes on certain heavy trucks and truck tires as well as general fund transfers
- CBO estimates that **revenues will total about \$33 billion** and **outlays will total about \$45 billion** in FY 2014

Transit Account

- Finances 80 percent of federal transit programs
- Funded by taxes on motor fuels as well as general fund transfers
- CBO estimates that **revenues will total about \$5 billion** and **outlays will total about \$8 billion** in FY 2014

Receipts, Outlays, and Balance or Shortfall for the Highway Account, 1998 to 2024

(Billions of dollars, by fiscal year)



Source: Congressional Budget Office, April 2014 baseline projection

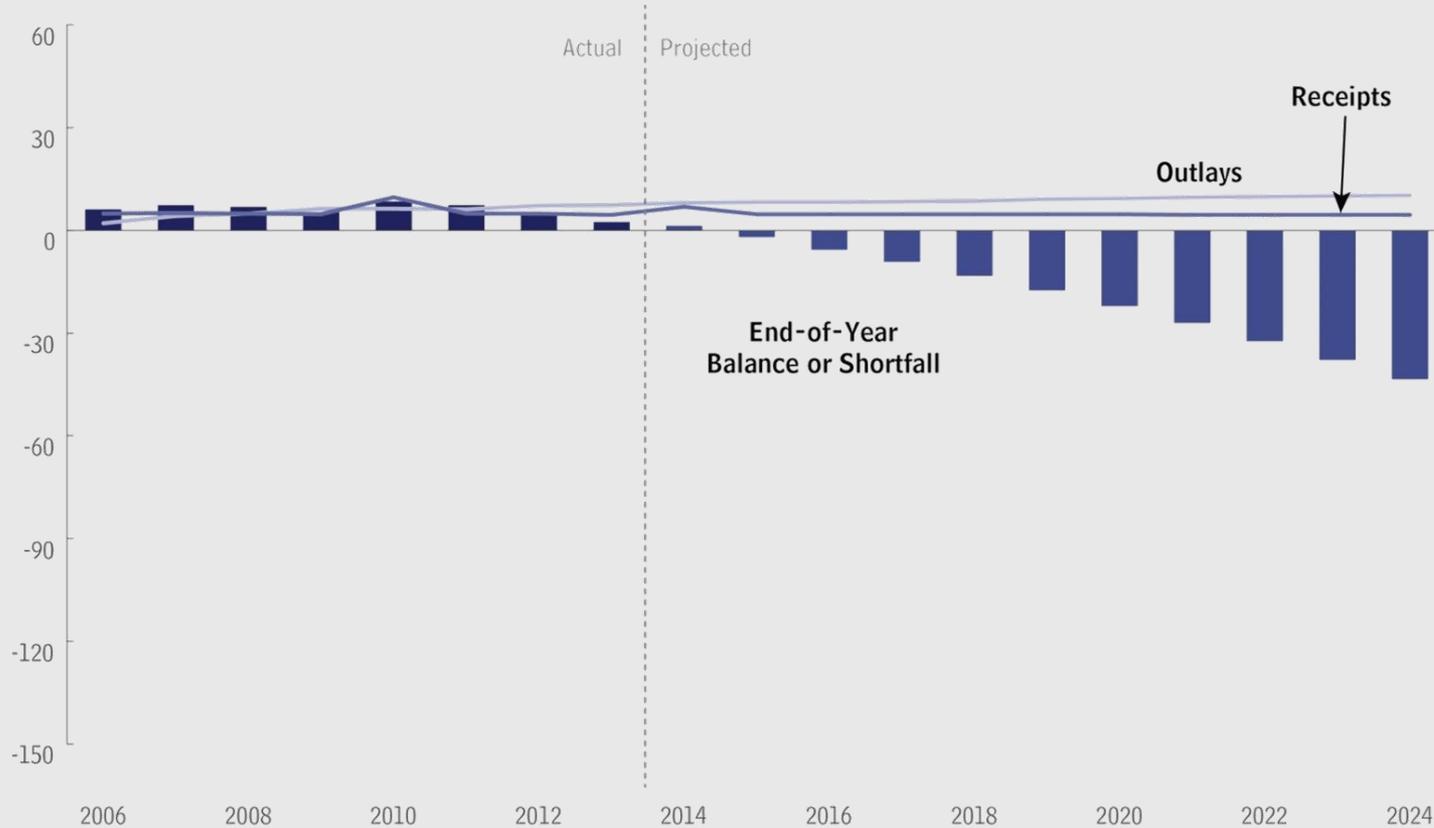
Notes: CBO's baseline projection for outlays is calculated by increasing the obligation limits set for the current year by a measure of projected inflation. CBO's baseline projection for receipts is based on market conditions, and incorporates the assumption that the current tax on fuels and on heavy vehicles will be extended.

The receipts line includes revenues credited to the highway account of the Highway Trust Fund and intragovernmental transfers to the account. Those transfers have totaled about \$46 billion since 2008, including the amounts transferred in October 2014.

The Highway Trust Fund cannot incur negative balances. Once account balances are exhausted, the chart illustrates the cumulative annual shortfalls for the highway account under CBO's baseline.

Receipts, Outlays, and Balance or Shortfall for the Transit Account, 1998 to 2024

(Billions of dollars, by fiscal year)



Source: Congressional Budget Office, April 2014 baseline projection

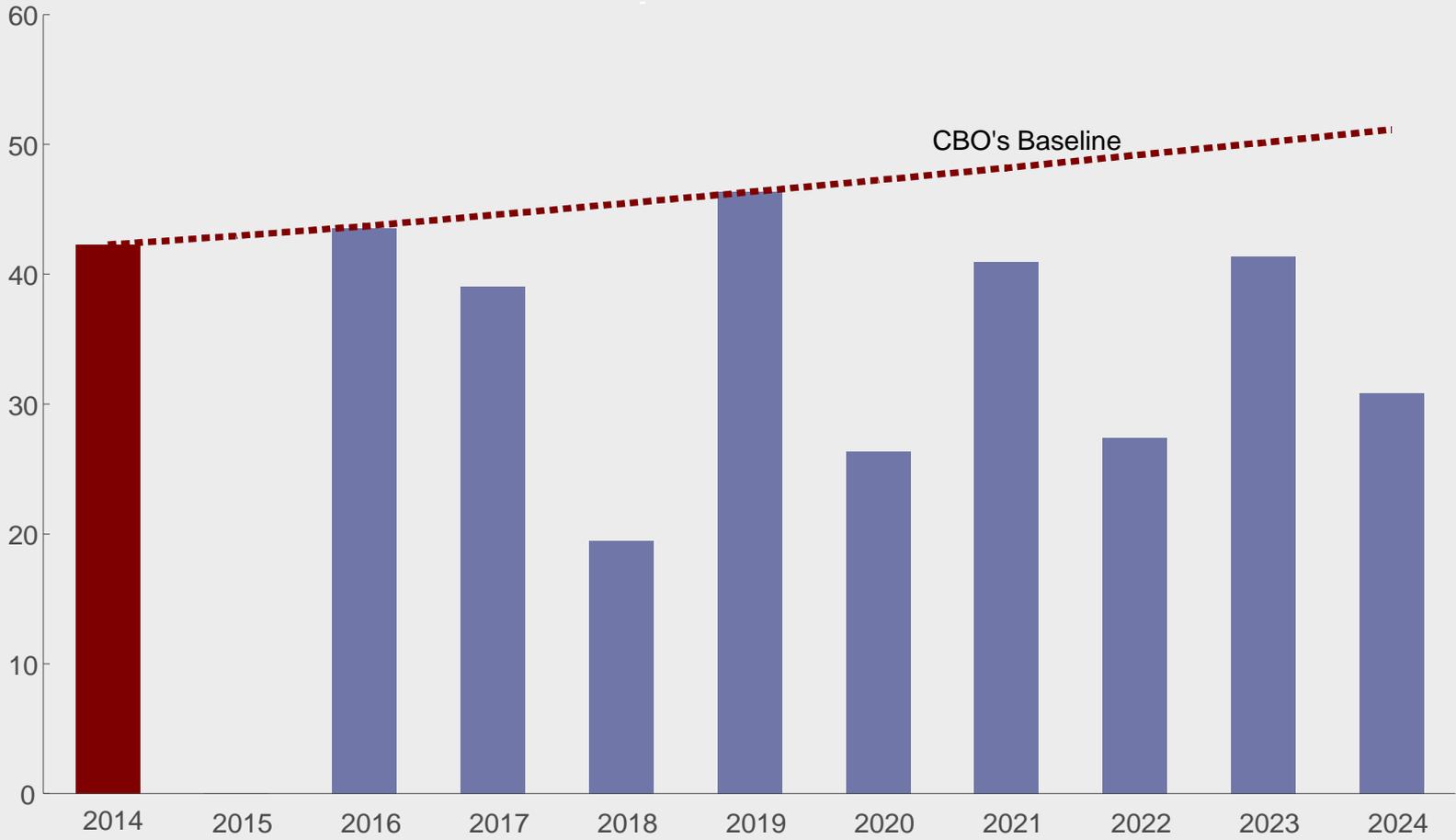
Notes: CBO's baseline projection for outlays is calculated by increasing the obligation limits set for the current year by a measure of projected inflation. CBO's baseline projection for receipts is based on market conditions, and incorporates the assumption that the current tax on fuels and on heavy vehicles will be extended.

The receipts line includes revenues credited to the transit account of the Highway Trust Fund and intragovernmental transfers to the account. Those transfers have totaled about \$7 billion since 2008, including the amounts transferred in October 2014.

The Highway Trust Fund cannot incur negative balances. Once account balances are exhausted, the chart illustrates the cumulative annual shortfalls for the highway account under CBO's baseline.

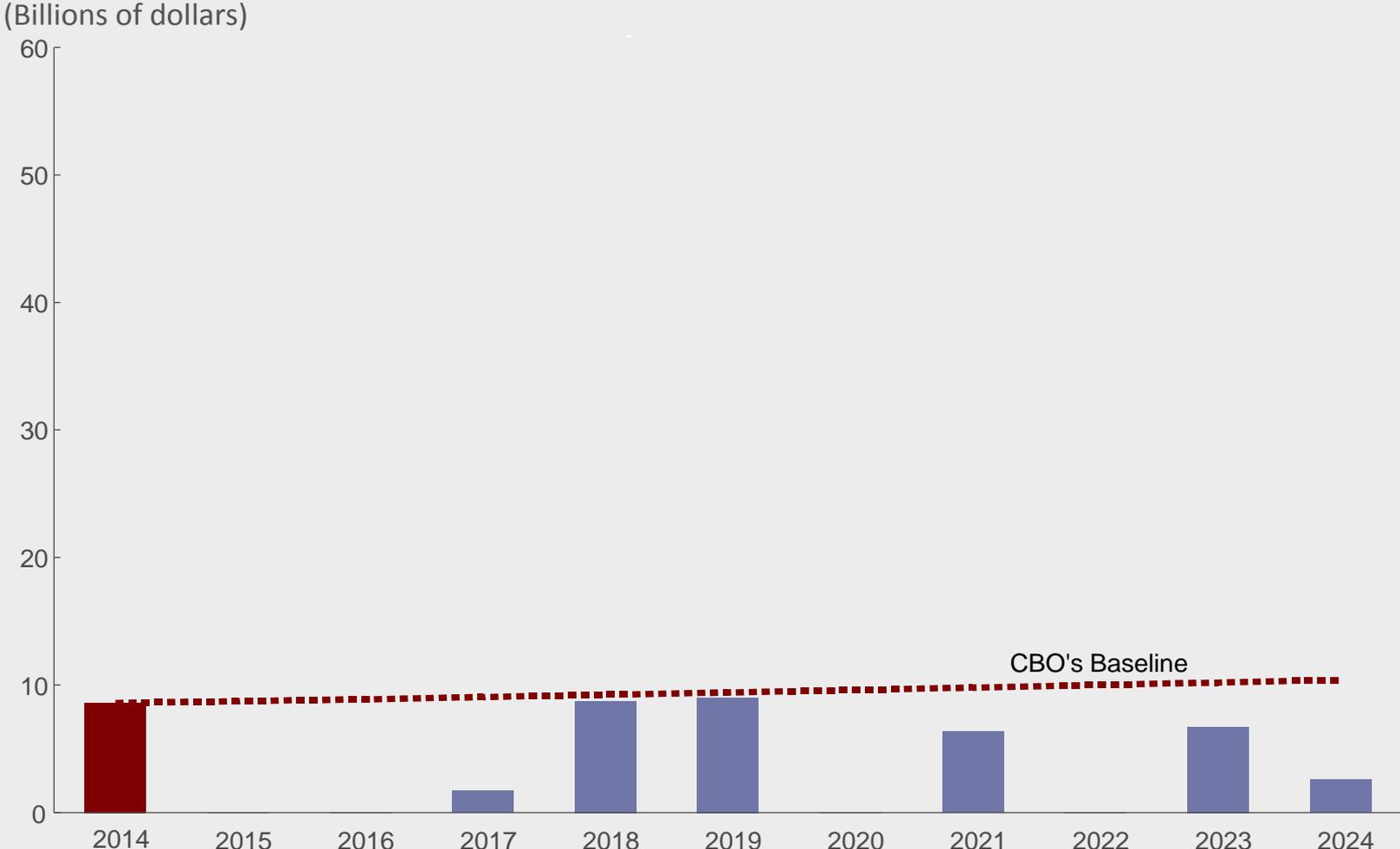
Estimated New Commitments That Could Be Accommodated by the Highway Account With No Changes in Receipts

(Billions of dollars)



The figure shows the new commitments that could be provided from the highway and transit accounts of the Highway Trust Fund as long as the minimum balance in the highway account was at least \$4 billion and the obligation limitation did not exceed the amounts projected in CBO's April 2014 baseline.

Estimated New Commitments That Could Be Accommodated by the Transit Account With No Changes in Receipts



The figure shows the new commitments that could be provided from the highway and transit accounts of the Highway Trust Fund as long as the minimum balance in the highway account was at least \$1 billion and the obligation limitation did not exceed the amounts projected in CBO's April 2014 baseline.

Further Information

Cost Estimates for Legislation:

www.cbo.gov/search/ce_sitesearch.cfm

Other CBO Transportation and Infrastructure Publications:

www.cbo.gov/topics/infrastructure-and-transportation

My Contact Information:

Sarah Puro

Principal Analyst

Congressional Budget Office

sarah.puro@cbo.gov

202-226-2860